

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 2950 - SB 2904

February 15, 2010

SUMMARY OF BILL: Exempts from recordation tax any transfer between adjacent properties where the actual consideration for the transfer is less than \$1,000; any transfer between lineal relatives or siblings of a lineal relative; and any transfer to or from the spouse or surviving spouse of a lineal relative. Requires a grantee, grantee's agent, or a trustee acting for the grantee to sign an oath stating actual consideration or value, whichever is greater, for any transfer, whether or not such transfer is subject to recordation tax, before an officer authorized to administer oaths.

ESTIMATED FISCAL IMPACT:

Decrease State Revenue - \$20,925,000

Assumptions:

- Lineal relative means a great-great-grandparent, great-grandparent, grandparent, parent, child, grandchild, great-grandchild, or great-great-grandchild.
- According to the Department of Revenue (DOR), recordation tax collections were \$83,700,000 in FY08-09.
- Recordation tax collections remain constant in subsequent years.
- According to DOR, the exemption relative to transfers between adjacent properties would decrease recordation tax collections by a nominal unknown amount.
- Based on information provided by DOR, it is estimated that 25 percent of transfers are between family lineal relatives.
- The decrease to state revenue is estimated to be \$20,935,000 per year ($\$83,700,000 \times 25.0\% = \$20,925,000$).

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White".

James W. White, Executive Director

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